

# SCHEDULE A

## DRAFT BUDGET AND SUPPORTING DOCUMENTATION OF VULAMEHLO MUNICIPALITY

DRAFT BUDGET OF

# VULAMEHLO MUNICIPALITY



2013/2014 TO 2015/2016

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## Part 1 – Annual Budget

### 1. Mayor's Report

#### MAYORAL DRAFT BUDGET SPEECH

It gives me great pleasure to present the Municipal Draft Budget for the 2013/2014 Financial Year. This Budget is a true reflection of the partnership between the municipality and its communities. We will conduct Budget Road shows within the municipal area, soliciting inputs from our communities and the inputs received will help us understand the needs of our citizens.

We hope that with this draft budget we will be able to deliver services in an equitable manner. We know and understand that our community needs will not all be addressed in its entirety but we will be able to address some of the basic needs.

**CLLR T.W DUBE**

**MAYOR- VULAMEHLO MUNICIPALITY**

Vulamehlo Municipality

2013/2014 Draft Budget and MTREF

Council Resolutions



## **Executive Summary**

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality is grant dependent and it is 100% rural with high poverty and very low employment rates. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programs so as to maintain sound financial stewardship.

National Treasury's MFMA Circular No. 58 and 59 were used to guide the compilation of the 2013/2014 MTREF.

The main challenges experienced during the compilation of the 2013/2014 MTREF can be summarised as follows:

1. The ongoing difficulties in the national and local economy;
2. Lack and poorly maintained roads infrastructure;
3. The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities;
4. Dependency on government grants;
5. Affordability of capital projects;

## **2. Annual Budget Tables - Parent Municipality**

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/2014 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*

**Table 1 MBRR Table A1 – Budget Summary**

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	803	1 622	1 487	1 489	1 489	1 489	1 489	1 804	1 804	1 804
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	918	329	221	230	230	230	230	300	316	333
Transfers recognised - operational	32 299	41 047	32 781	35 614	35 614	35 614	35 614	43 120	51 443	65 619
Other own revenue	241	277	319	269	2 707	2 707	2 707	308	326	344
Total Revenue (excluding capital transfers and contributions)	34 260	43 274	34 808	37 602	40 040	40 040	40 040	45 532	53 889	68 100
Employee costs	7 609	7 887	10 958	13 908	13 908	13 908	13 908	14 785	15 732	16 738
Remuneration of councillors	5 659	6 100	5 154	5 614	1 000	6 614	6 614	6 580	7 001	7 449
Depreciation & asset impairment	4 903	5 203	5 666	6 400	10 700	1 700	15 400	15 400	15 400	15 400
Finance charges	267	205	411	–	–	–	–	360	379	400
Materials and bulk purchases	16 322	15 112	14 917	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	5 794	5 568	532	17 353	5 544	19 791	19 791	21 711	22 971	24 284
Total Expenditure	40 553	40 075	37 638	43 274	31 152	42 012	55 712	58 836	61 483	64 271
Surplus/(Deficit)	(6 293)	3 199	(2 830)	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Transfers recognised - capital	–	–	15 741	–	–	–	–	(26 959)	(18 009)	(19 047)
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	26 959	18 009	19 047
Surplus/(Deficit) after capital transfers & contributions	(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	15 468	13 330	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	15 468	13 330	–	–	–	–	–	–	–	–
<b>Financial position</b>										
Total current assets	14 551	8 356	6 492	9 283	9 283	9 283	9 283	16 880	10 414	5 636
Total non current assets	92 485	97 530	109 795	109 171	109 171	109 171	109 171	137 491	134 016	142 424
Total current liabilities	13 387	9 433	6 590	10 561	10 561	10 561	10 561	4 379	2 832	2 632
Total non current liabilities	1 166	821	1 839	920	920	920	920	1 000	200	200
Community wealth/Equity	92 484	95 631	107 859	106 974	106 974	106 974	106 974	148 993	141 398	145 227
<b>Cash flows</b>										
Net cash from (used) operating	5 005	4 743	–	5 279	2 415	7 694	7 694	36 006	22 246	25 115
Net cash from (used) investing	(6 440)	(4 507)	–	9 364	–	9 364	9 364	(31 959)	(22 509)	(23 547)
Net cash from (used) financing	735	(491)	–	(546)	(546)	(546)	(546)	(2 144)	(1 000)	(1 000)
Cash/cash equivalents at the year end	(701)	(955)	(955)	16 272	4 589	18 687	18 687	3 807	2 544	3 112
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	12 031	6 108	4 269	6 766	6 766	6 766	6 766	14 970	9 708	4 726
Application of cash and investments	10 155	7 263	4 860	7 813	8 248	7 459	7 459	(3 665)	530	(393)
Balance - surplus (shortfall)	1 876	(1 154)	(591)	(1 047)	(1 482)	(693)	(693)	18 635	9 178	5 119
<b>Asset management</b>										
Asset register summary (WDV)	1 511	1 012	779	1 133	1 133	1 133	366	366	–	–
Depreciation & asset impairment	4 903	5 203	5 666	6 400	10 700	1 700	15 400	15 400	15 400	15 400
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	655	199	533	–	–	–	–	–	–	–
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  2. Capital expenditure is balanced by capital funding sources, of which
    1. Transfers recognised is reflected on the Financial Performance Budget;
    2. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    3. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

**Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

KZN211 Vulamehlo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		34 260	43 274	37 493	37 602	-	37 602	42 456	44 724	44 798
Executive and council		34 260	43 274	179	37 602	-	37 602	7 752	7 870	8 373
Budget and treasury office		-	-	37 314	-	-	-	8 887	9 936	7 873
Corporate services		-	-	-	-	-	-	25 817	26 918	28 553
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	13 056	-	-	-	3 075	3 188	3 388
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	13 056	-	-	-	3 075	3 188	3 388
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>34 260</b>	<b>43 274</b>	<b>50 549</b>	<b>37 602</b>	<b>-</b>	<b>37 602</b>	<b>45 532</b>	<b>47 912</b>	<b>48 186</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) for the year</b>		<b>34 260</b>	<b>43 274</b>	<b>50 549</b>	<b>37 602</b>	<b>-</b>	<b>37 602</b>	<b>45 532</b>	<b>47 912</b>	<b>48 186</b>

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

### Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN211 Vulamehlo - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - MUNICIPAL MANAGER		34 260	-	-	-	-	-	7 753	7 870	8 373
Vote 2 - FINANCE DEPARTMENT		-	-	-	-	-	-	8 888	9 936	7 873
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	25 817	26 918	28 553
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	3 075	3 188	3 388
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	34 260	-	-	-	-	-	45 533	47 912	48 186
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	7 398	7 870	8 373
Vote 2 - FINANCE DEPARTMENT		-	-	-	-	-	-	23 061	23 507	23 958
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	25 378	26 918	28 553
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	3 000	3 188	3 388
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	58 837	61 483	64 271
<b>Surplus/(Deficit) for the year</b>	2	34 260	-	-	-	-	-	(13 303)	(13 571)	(16 085)

### Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN211 Vulamehlo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>											
Property rates	2	803	1 622	1 487	1 489	1 489	1 489	1 489	1 804	1 804	1 804
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		143	162	189	203	203	203	203	228	243	260
Interest earned - external investments		918	329	221	230	230	230	230	300	316	333
Interest earned - outstanding debtors											
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		32 299	41 047	32 781	35 614	35 614	35 614	35 614	43 120	51 443	65 619
Other revenue	2	98	114	130	66	2 504	2 504	2 504	81	83	84
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		34 260	43 274	34 808	37 602	40 040	40 040	40 040	45 532	53 889	68 100
<b>Expenditure By Type</b>											
Employee related costs	2	7 609	7 887	10 958	13 908	13 908	13 908	13 908	14 785	15 732	16 738
Remuneration of councillors		5 659	6 100	5 154	5 614	1 000	6 614	6 614	6 580	7 001	7 449
Debt impairment	3		252	532	-	1 000	1 000	1 000	1 000	1 000	1 000
Depreciation & asset impairment	2	4 903	5 203	5 666	6 400	10 700	1 700	15 400	15 400	15 400	15 400
Finance charges		267	205	411					360	379	400
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	16 322	15 112	14 917							
Contracted services		-	-	-	7 056	550	7 606	7 606	10 722	11 439	12 179
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	5 597	5 387	-	10 297	3 994	11 185	11 185	9 989	10 532	11 104
Loss on disposal of PPE		197	(71)								
<b>Total Expenditure</b>		40 553	40 075	37 638	43 274	31 152	42 012	55 712	58 836	61 483	64 271
<b>Surplus/(Deficit)</b>		(6 293)	3 199	(2 830)	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Transfers recognised - capital				15 741					(26 959)	(18 009)	(19 047)
Contributions recognised - capital	6	-	-	-	-	-	-	-	26 959	18 009	19 047
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Taxation											
<b>Surplus/(Deficit) after taxation</b>		(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R45.5 million in 2013/2014 and escalates to R68.1 by 2015/2016.
2. Revenue to be generated from property rates is R1.8 million in the 2013/2014 financial year which represents only 3 per cent of the operating revenue base of the Municipality and therefore remains an insignificant funding source for the municipality.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. Government grants are the main sources of the municipality's revenue since it totals to 95% which makes our municipality grants dependent.



Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN211 Vulamehlo - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure, to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		15 468	13 330	77 333	22 258	-	22 238	-	-	-	-
Vote 2 - FINANCE DEPARTMENT		-	-	280	650	-	650	650	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	503	270	-	270	270	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	2 166	750	-	750	750	26 959	18 009	19 047
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		15 468	13 330	80 282	23 928	-	23 908	1 670	26 959	18 009	19 047
<b>Total Capital Expenditure - Vote</b>		15 468	13 330	80 282	23 928	-	23 908	1 670	26 959	18 009	19 047
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-
Executive and council											
Budget and treasury office											
Corporate services											
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-
Planning and development											
Road transport											
Environmental protection											
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Electricity											
Water											
Waste water management											
Waste management											
<i>Other</i>											
<b>Total Capital Expenditure - Standard</b>	3	-	-	-	-	-	-	-	-	-	-
<b>Funded by:</b>											
National Government		15 468	13 330						16 959	18 009	19 047
Provincial Government											
District Municipality									10 000		
Other transfers and grants											
Transfers recognised - capital	4	15 468	13 330	-	-	-	-	-	26 959	18 009	19 047
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
<b>Total Capital Funding</b>	7	15 468	13 330	-	-	-	-	-	26 959	18 009	19 047

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations there is no budget allocated since the municipality does not have multi-year capital projects.
3. Single-year capital expenditure has been appropriated at R26.98million for the 2013/2014 financial year and decreases over the MTREF at levels of R18 million and R19 million respectively for the two outer years.
4. The single-year appropriations relate to expenditure that will be incurred in the specific budget year such as construction of access roads, construction of a craft centre, procurement of vehicles, plant and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and national grants and transfers.

**Table 6 MBRR Table A6 - Budgeted Financial Position**

KZN211 Vulamehlo - Table A6 Consolidated Budgeted Financial Position

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS												
Current assets												
Cash			1 954	1 701	1 142	1 904	1 904	1 904	1 904	3 806	3 544	3 112
Call investment deposits	1		10 078	4 407	3 126	4 864	4 864	4 864	4 864	11 164	6 164	1 614
Consumer debtors	1		129	268	337	300	300	300	300	503	707	910
Other debtors			2 391	1 979	1 886	2 216	2 216	2 216	2 216	1 407		
Current portion of long-term receivables												
Inventory	2											
Total current assets			14 551	8 356	6 492	9 283	9 283	9 283	9 283	16 880	10 414	5 636
Non current assets												
Long-term receivables					433							
Investments												
Investment property												
Investment in Associate												
Property, plant and equipment	3		78 135	86 340	82 357	96 646	96 646	96 646	96 646	85 816	90 417	95 017
Agricultural												
Biological												
Intangible			1 511	1 012	779	1 133	1 133	1 133	1 133	366		
Other non-current assets			12 839	10 178	26 227	11 392	11 392	11 392	11 392	51 309	43 599	47 407
Total non current assets			92 485	97 530	109 795	109 171	109 171	109 171	109 171	137 491	134 016	142 424
TOTAL ASSETS			107 036	105 885	116 287	118 454	118 454	118 454	118 454	154 371	144 430	148 059
LIABILITIES												
Current liabilities												
Bank overdraft	1					2	2	2	2			
Borrowing	4		713	771	1 730	863	863	863	863	883	200	200
Consumer deposits												
Trade and other payables	4		12 674	8 662	4 860	9 696	9 696	9 696	9 696	3 496	2 632	2 432
Provisions												
Total current liabilities			13 387	9 433	6 590	10 561	10 561	10 561	10 561	4 379	2 832	2 632
Non current liabilities												
Borrowing			1 166	821	1 839	920	920	920	920	1 000	200	200
Provisions			-	-	-	-	-	-	-	-	-	-
Total non current liabilities			1 166	821	1 839	920	920	920	920	1 000	200	200
TOTAL LIABILITIES			14 552	10 255	8 429	11 480	11 480	11 480	11 480	5 379	3 032	2 832
NET ASSETS	5		92 484	95 631	107 859	106 974	106 974	106 974	106 974	148 993	141 398	145 227
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			92 484	95 631	107 859	106 974	106 974	106 974	106 974	148 993	141 398	145 227
Reserves	4		-	-	-	-	-	-	-	-	-	-
Minorities' interests												
TOTAL COMMUNITY WEALTH/EQUITY	5		92 484	95 631	107 859	106 974	106 974	106 974	106 974	148 993	141 398	145 227

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
  1. Call investments deposits;
  1. Consumer debtors;
  2. Property, plant and equipment;
  3. Trade and other payables;
  4. Provisions non current;
  5. Changes in net assets; and
  6. Reserves
7. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
8. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 7 MBRR Table A7 - Budgeted Cash Flow Statement**

KZN211 Vulamehlo - Table A7 Consolidated Budgeted Cash Flows

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other			1 044	1 182		1 316	2 415	3 731	3 731	7 918	6 333	6 667
Government - operating		1	32 299	36 564		40 697		40 697	40 697	43 120	51 443	65 619
Government - capital		1	–	–						26 959	18 009	19 047
Interest			918	329		366		366	366	300	316	333
Dividends												
Payments												
Suppliers and employees			13 268	13 613		15 152		15 152	15 152	(31 210)	(33 644)	(35 692)
Finance charges			267	205		228		228	228	(360)	(379)	(400)
Transfers and Grants		1	(42 790)	(47 151)		(52 480)		(52 480)	(52 480)	(10 722)	(19 832)	(30 459)
NET CASH FROM/(USED) OPERATING ACTIVITIES			5 005	4 743	–	5 279	2 415	7 694	7 694	36 006	22 246	25 115
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			–	82		91		91	91	–	–	–
Decrease (increase) in non-current debtors								–	–	–		
Decrease (increase) other non-current receivables			(7 341)	2 661		2 962		2 962	2 962	1 000	500	500
Decrease (increase) in non-current investments			4 084	5 670		6 311		6 311	6 311	(6 000)	(5 000)	(5 000)
Payments												
Capital assets			(3 184)	(12 920)						(26 959)	(18 009)	(19 047)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(6 440)	(4 507)	–	9 364	–	9 364	9 364	(31 959)	(22 509)	(23 547)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans				(491)		(546)		(546)	(546)	(744)	(500)	(500)
Borrowing long term/refinancing										1 000		
Increase (decrease) in consumer deposits												
Payments												
Repayment of borrowing			735							(2 400)	(500)	(500)
NET CASH FROM/(USED) FINANCING ACTIVITIES			735	(491)	–	(546)	–	(546)	(546)	(2 144)	(1 000)	(1 000)
NET INCREASE/ (DECREASE) IN CASH HELD			(701)	(254)	–	14 097	2 415	16 512	16 512	1 903	(1 263)	568
Cash/cash equivalents at the year begin:		2		(701)	(955)	2 175	2 175	2 175	2 175	1 904	3 807	2 544
Cash/cash equivalents at the year end:		2	(701)	(955)	(955)	16 272	4 589	18 687	18 687	3 807	2 544	3 112

**Table 8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN211 Vulamehlo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

KENYA - Public Accounts Commission - Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(701)	(955)	(955)	16 272	4 589	18 687	18 687	3 807	2 544	3 112
Other current investments > 90 days		12 732	7 064	5 224	(9 506)	2 176	(11 921)	(11 921)	11 163	7 164	1 614
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		12 031	6 108	4 269	6 766	6 766	6 766	6 766	14 970	9 708	4 726
Application of cash and investments											
Unspent conditional transfers		10 525	6 043	2 981	6 764	6 764	6 764	6 764	1 764	1 000	1 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(370)	1 220	1 879	1 049	1 484	695	695	(5 429)	(470)	(1 393)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		10 155	7 263	4 860	7 813	8 248	7 459	7 459	(3 665)	530	(393)
Surplus(shortfall)		1 876	(1 154)	(591)	(1 047)	(1 482)	(693)	(693)	18 635	9 178	5 119

### **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality improved over the 2009/2010 to 2011/12 period owing directly to a net increase in cash for the 2013/2014 financial year of R2.8 million.
4. The 2013/2014 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

### **Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. The cash and investments available exceed the applications, the municipality budget has been “ funded”.
4. From the table it can be seen that for the period 2010/11 to 2013/14 a deficit has recovered, and is a surplus of R 18.6 million, complying with section 18 of the MFMA.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 9 MBRR Table A9 - Asset Management

## Vulamehlo Municipality

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Table A9 Consolidated Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	15 468	13 330	20 917	23 938	-	23 938	26 959	18 009	19 047
Infrastructure - Road transport		15 468	13 330	15 741	16 408	-	16 408	1 900	18 009	19 047
Infrastructure - Electricity		-	-	-	5 000	-	5 000	10 000	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		15 468	13 330	15 741	21 408	-	21 408	11 900	18 009	19 047
Community		-	-	5 177	-	-	-	14 211	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	150	-	150	-	-	-
Other assets	6	-	-	-	2 380	-	2 380	848	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	15 468	13 330	15 741	16 408	-	16 408	1 900	18 009	19 047
Infrastructure - Road transport		-	-	-	5 000	-	5 000	10 000	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		15 468	13 330	15 741	21 408	-	21 408	11 900	18 009	19 047
Community		-	-	5 177	-	-	-	14 211	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	150	-	150	-	-	-
Other assets		-	-	-	2 380	-	2 380	848	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	15 468	13 330	20 917	23 938	-	23 938	26 959	18 009	19 047
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	-	-	-	-	-	-
Community										
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 511	1 012	779	1 133	1 133	1 133	366	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1 511	1 012	779	1 133	1 133	1 133	366	-	-
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>	3	4 903	5 203	5 666	6 400	10 700	1 700	15 400	15 400	15 400
<b>Repairs and Maintenance by Asset Class</b>		655	199	533	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		183	199	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	472	-	533	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		5 558	5 402	6 199	6 400	10 700	1 700	15 400	15 400	15 400
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.8%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal and R&amp;M as a % of PPE</b>		43.0%	20.0%	69.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Table 9 MBRR Table A9 - Asset Management (continued)

TOTAL EXPENDITURE OTHER ITEMS	5 558	5 402	6 199	6 400	10 700	1 700	15 400	15 400	15 400
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>	0.8%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and R&amp;M as a % of PPE</i>	43.0%	20.0%	69.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality, it does not meet the recommendation.

Table 10 MBRR Table A10 - Basic Service Delivery Measurement

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Table A10 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Household service targets</b>	1									
<u>Water:</u>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy and refuse removal.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied by Eskom.
4. Currently there is no refuse removal in the municipality.

## Part 2 – Supporting Documentation

### Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

1. that the process followed to compile the budget complies with legislation and good budget practices;
2. that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
3. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
4. that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2013. Key dates applicable to the process were:

1. **July 2012** – Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review;
2. **August 2012** – Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
3. **September 2012** – Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
4. **October 2012** – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

5. **November 2012** – Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval
6. **December 2012** – Submit budget instructions and 2012/2013 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);
7. **January 2013** - Council considers the 2011/2012 Mid-year Review and Adjustments Budget;
8. **February 2013** – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;
9. **March 2013** - Tabling in Council of the draft 2012/2013 IDP and 2012/2013 MTREF for public consultation;
10. **April 2013**– Public consultation;
11. **May 2013** – finalisation of the 2012/2013 IDP and 2012/2013 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2011/12 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

#### IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

12. Registration of community needs;
13. Compilation of departmental business plans including key performance indicators and targets;
14. Financial planning and budgeting process;
15. Public participation process;
16. Compilation of the SDBIP, and
17. The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/2014 MTREF, based on the approved 2012/2013 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2012/2013 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/2013 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/2014 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/2014 MTREF:

18. Municipality growth
19. Policy priorities and strategic objectives
20. Asset maintenance
21. Economic climate and trends (i.e inflation)
22. Performance trends
23. The approved 2012/2013 adjustments budget and performance against the SDBIP
24. Cash Flow Management Strategy
25. Debtor payment levels
26. Investment possibilities
27. The need for tariff increases versus the ability of the community to pay for services;
28. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 and 59 has been taken into consideration in the planning and prioritisation process.

## Community Consultation

The draft 2013/2014 MTREF as tabled before Council on 28 March 2013 for community consultation has been published on the municipality's website, and hard copies has been made available at municipal offices and other community centres. In addition budget road shows were held in different municipal clusters. Inputs were also collected via e-mails.

All documents in the appropriate format (electronic and printed) will provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process in April 2013. The applicable dates and venues were published in all the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2013/2014 MTREF.

### Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

29. Green Paper on National Strategic Planning of 2009;
30. Government Programme of Action;
31. Development Facilitation Act of 1995;
32. Provincial Growth and Development Strategy (GGDS);
33. National and Provincial spatial development perspectives;
34. Relevant sector plans such as transportation, legislation and policy;
35. National Key Performance Indicators (NKGIs);
36. Accelerated and Shared Growth Initiative (ASGISA);
37. National 2014 Vision;
38. National Spatial Development Perspective (NSDP) and
39. The National Priority Outcomes.



The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2013/2014 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 11 IDP Strategic Objectives**

<b>2013/14 Financial Year</b>	
1.	Financial Viability
2.	Basic Service delivery and infrastructure
3.	Good governance and public participation
4.	Local economic Development
5.	Municipal transformation and institutional development
6.	Spatial analysis and environmental management

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 12 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN211 Vulamehlo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

[illegible]

KZN211 Vulamehlo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

[illegible]



### Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

40. Planning (setting goals, objectives, targets and benchmarks);
41. Monitoring (regular monitoring and checking on the progress against plan);
42. Measurement (indicators of success);
43. Review (identifying areas requiring change and improvement);
44. Reporting (what information, to whom, from whom, how often and for what purpose); and
45. Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

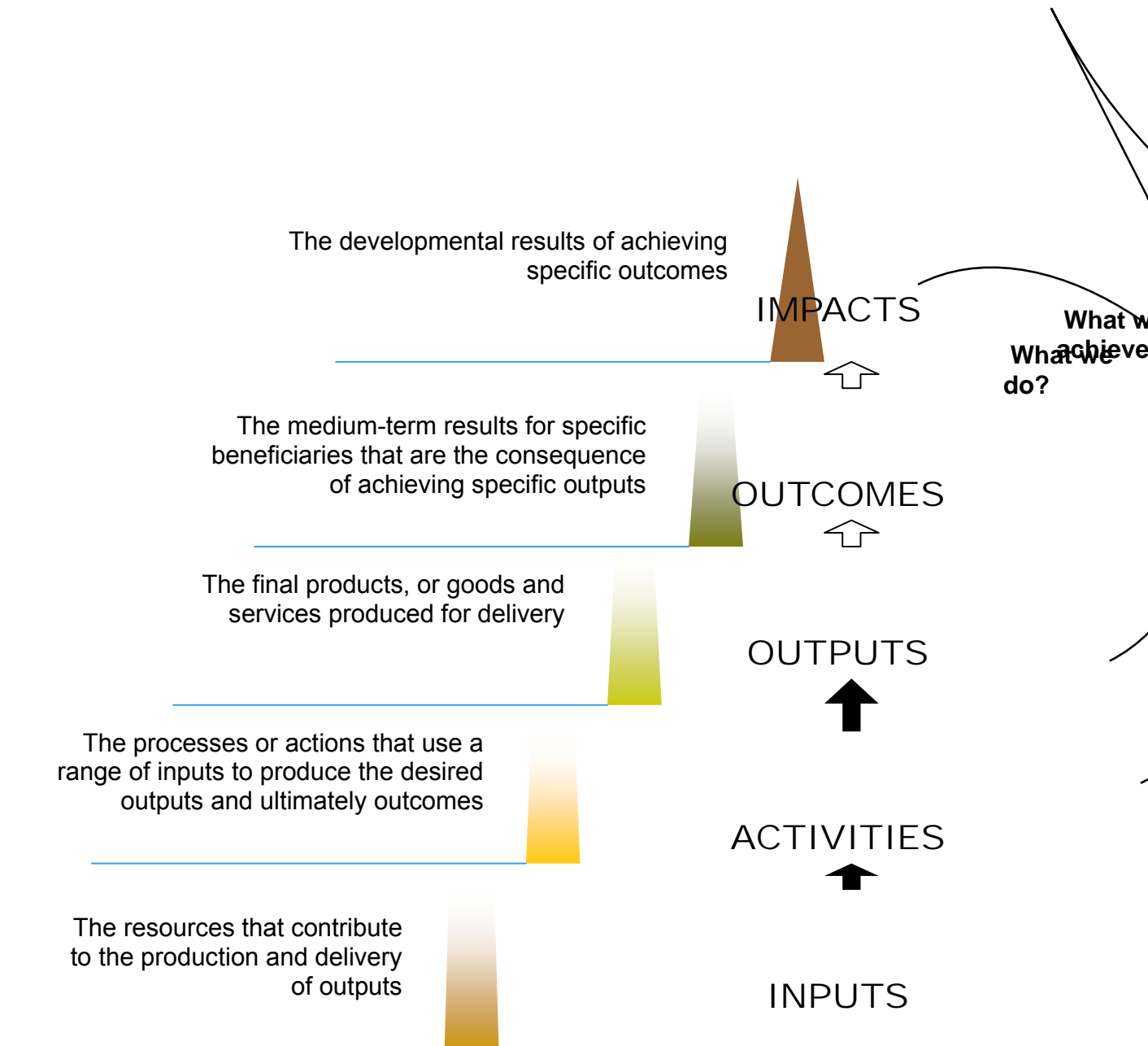


Figure 1 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

KZN211 Vulamehlo - Supporting Table SA7 Measureable performance objectives

[illegible]



The following table sets out the municipalities main performance objectives and benchmarks for the 2011/12 MTREF.

Table 16 MBRR Table SA8 - Performance indicators and benchmarks

KZN211 Vulamehlo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-1.2%	0.5%	1.1%	0.0%	0.0%	0.0%	0.0%	4.7%	1.4%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-23.9%	9.2%	20.3%	0.0%	0.0%	0.0%	0.0%	114.4%	36.0%	36.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	-1022225.0%	0.0%	-2.3%	0.0%	-2.3%	-32.7%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.1	0.9	1.0	0.9	0.9	0.9	0.9	3.9	3.7	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	0.9	0.8	0.8	0.8	0.8	0.8	3.4	2.6	0.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.6	0.6	0.6	0.6	0.6	0.6	3.4	3.4	1.8
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		-603.4%	202.4%	0.0%	243.4%	57.6%	159.5%	159.5%	422.3%	320.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			100.0%	62.3%	0.0%	74.9%	57.6%	88.9%	88.9%	374.9%	297.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.4%	5.2%	7.6%	6.7%	6.3%	6.3%	6.3%	4.2%	1.3%	1.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-306.6%	-274.2%	-196.7%	18.0%	63.9%	15.7%	15.7%	45.5%	64.2%	46.0%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	22.2%	18.2%	31.5%	37.0%	34.7%	34.7%	34.7%	32.5%	29.2%	24.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.4%	36.5%	47.4%	51.7%	2.5%	51.1%		46.9%	42.2%	35.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.9%	0.5%	1.5%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.1%	12.5%	17.5%	17.0%	26.7%	4.2%	38.5%	34.6%	29.3%	23.2%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6.0	–	5.5	–	–	–	1.6	3.0	2.9	3.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	266.5%	125.9%	132.6%	148.7%	148.7%	148.7%	148.7%	94.0%	34.5%	44.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.4)	(0.5)	(0.5)	6.4	3.1	6.7	6.7	1.3	0.8	0.9

References

## Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### Credit control and debt collection procedures/policies

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 85 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the City's cash levels.

### Asset Management policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in April 2009.

### Review of Budget Policy

The Budget Policy is current under review and will be tabled together with the budget on 22 May 2013. The Budget Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

### Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

### Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service

delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

### **Overview of budget assumptions**

#### External factors

Domestically, a majority of our community is unemployed, which 66 per cent of the population. With economic development we will expect a small growth of employed people of about 2.1% within the 2013/2014 financial year.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

#### General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

46. National Government macro economic targets;
47. The general inflationary outlook and the impact on Municipality's residents and businesses;
48. The impact of municipal cost drivers;
49. The increase in the cost of remuneration.

#### Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### Salary increases

The Salary and Wages Collective Agreement for the period 1 July 2012 to 30 June 2015, provides for wage increase based on the average CPI for period 1 February 2012 until 31 January 2013 plus 1.25 per cent. According to the MFMA circular 67, the municipalities has been advised the CPI for this period is 5.6 per cent, therefore increases of 6.85 per cent ( 5.6 per cent plus 1.25 per cent) for the year 2013/2014.

### Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

50. Creating jobs;
51. Infrastructure development;
52. Enhancing education and skill development;
53. Improving Health services;
54. Rural development and agriculture; and
55. Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### **Overview of budget funding**

#### Medium Term revenue

Vulamehlo Municipality mainly depends on government grants and subsidies.

Operational grants and subsidies amount to R43.1 million, R51.4 million and R65.6 million for each of the respective financial years of the MTREF, or 96 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF.

Investment revenue contributes 1 per cent to the revenue base of the municipality with a budget allocation of R300 000, R316 000 and R333 000 for the respective three financial years of the 2013/14 MTREF. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide d investment information and investment particulars by maturity.

Table 17 MBRR SA15 – Detail Investment Information

KZN211 Vulamehlo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government	1									
Listed Corporate Bonds										
Deposits - Bank			4 407	3 126	4 864		4 864	11 164	6 164	1 614
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total		-	4 407	3 126	4 864	-	4 864	11 164	6 164	1 614
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	4 407	3 126	4 864	-	4 864	11 164	6 164	1 614

Table 18 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Monetary value	Interest to be realised
		Yrs/Months									
<b>Parent municipality</b>											
Standard Bank			Call Account	No	Variable				None	6 000	161
ABSA			Call Account	No	Variable					5 164	139
<b>Municipality sub-total</b>										11 164	300
<b>Entities</b>											
<b>Entities sub-total</b>										-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									11 164	300

Medium-term outlook: capital revenue

The Municipality's capital budget is funded by the Municipal Infrastructure Grant and the surplus for Equitable share.

The Municipal Infrastructure Grant for the MTERF is R16.4 million, R18 million and R19 million for respective years.

Table19 MBRR Table SA 18 - Capital transfers and grant receipts

KZN211 Vulamehlo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		20 629	27 632	31 063	37 914	-	37 914	43 120	51 443	65 619
Local Government Equitable Share		18 876	25 632	28 773	35 614		35 614	40 580	48 709	62 702
Finance Management		1 000	1 250	1 500	1 500		1 500	1 650	1 800	1 950
Municipal Systems Improvement		753	750	790	800		800	890	934	967
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	20 629	27 632	31 063	37 914	-	37 914	43 120	51 443	65 619
<b>Capital Transfers and Grants</b>										
National Government:		12 221	6 404	15 526	21 408	-	16 908	26 159	18 009	19 047
Municipal Infrastructure Grant (MIG)		12 221	6 404	13 526	16 408		16 408	16 159	18 009	19 047
Integrated National Electrification Programme		-	-	2 000	5 000		500	10 000	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	12 221	6 404	15 526	21 408	-	16 908	26 159	18 009	19 047
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		32 850	34 036	46 589	59 322	-	54 822	69 279	69 452	84 666

## Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

56. Clear separation of receipts and payments within each cash flow category;
57. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
58. Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table20 MBRR Table A7 - Budget cash flow statement

KZN211 Vulamehlo - Table A7 Consolidated Budgeted Cash Flows

2012/13 Volamemo - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1 044	1 182		1 316	2 415	3 731	3 731	7 918	6 333	6 667
Government - operating	1	32 299	36 564		40 697		40 697	40 697	43 120	51 443	65 619
Government - capital	1	-	-						26 959	18 009	19 047
Interest		918	329		366		366	366	300	316	333
Dividends											
Payments											
Suppliers and employees		13 268	13 613		15 152		15 152	15 152	(31 210)	(33 644)	(35 692)
Finance charges		267	205		228		228	228	(360)	(379)	(400)
Transfers and Grants	1	(42 790)	(47 151)		(52 480)		(52 480)	(52 480)	(10 722)	(19 832)	(30 459)
NET CASH FROM/(USED) OPERATING ACTIVITIES		5 005	4 743	-	5 279	2 415	7 694	7 694	36 006	22 246	25 115
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	82		91		91	91	-	-	-
Decrease (Increase) in non-current debtors							-	-			
Decrease (increase) other non-current receivables		(7 341)	2 661		2 962		2 962	2 962	1 000	500	500
Decrease (increase) in non-current investments		4 084	5 670		6 311		6 311	6 311	(6 000)	(5 000)	(5 000)
Payments											
Capital assets		(3 184)	(12 920)						(26 959)	(18 009)	(19 047)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6 440)	(4 507)	-	9 364	-	9 364	9 364	(31 959)	(22 509)	(23 547)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			(491)		(546)		(546)	(546)	(744)	(500)	(500)
Borrowing long term/refinancing									1 000		
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		735							(2 400)	(500)	(500)
NET CASH FROM/(USED) FINANCING ACTIVITIES		735	(491)	-	(546)	-	(546)	(546)	(2 144)	(1 000)	(1 000)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	(701)	(254)	-	14 097	2 415	16 512	16 512	1 903	(1 263)	568
Cash/cash equivalents at the year end:	2	(701)	(955)	(955)	2 175	2 175	2 175	2 175	1 904	3 807	2 544
Cash/cash equivalents at the year end:	2	(701)	(955)	(955)	16 272	4 589	18 687	18 687	3 807	2 544	3 112

## Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

59. What are the predicted cash and investments that are available at the end of the budget year?
60. How are those funds used?
61. What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN211 Vulamehlo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(701)	(955)	(955)	16 272	4 589	18 687	18 687	3 807	2 544	3 112
Other current investments > 90 days		12 732	7 064	5 224	(9 506)	2 176	(11 921)	(11 921)	11 163	7 164	1 614
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		12 031	6 108	4 269	6 766	6 766	6 766	6 766	14 970	9 708	4 726
Application of cash and investments											
Unspent conditional transfers		10 525	6 043	2 981	6 764	6 764	6 764	6 764	1 764	1 000	1 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(370)	1 220	1 879	1 049	1 484	695	695	(5 429)	(470)	(1 393)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		10 155	7 263	4 860	7 813	8 248	7 459	7 459	(3 665)	530	(393)
Surplus(shortfall)		1 876	(1 154)	(591)	(1 047)	(1 482)	(693)	(693)	18 635	9 178	5 119



National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

KZN211 Vulamehlo Supporting Table SA10 Funding measurement

[illegible]

## Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

KZN211 Vulamehlo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		20 611	27 632	31 062	37 914	–	37 914	43 120	51 443	65 619
Local Government Equitable Share		18 876	25 632	28 773	35 614		35 614	40 580	48 709	62 702
Finance Management		1 000	1 250	1 500	1 500		1 500	1 650	1 800	1 950
Municipal Systems Improvement		735	750	789	800		800	890	934	967
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Sports and Recreation										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		20 611	27 632	31 062	37 914	–	37 914	43 120	51 443	65 619
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		12 221	6 404	16 288	19 978	–	19 978	26 959	18 009	19 047
Municipal Infrastructure Grant (MIG)		12 221	6 404	15 740	13 526		13 526	16 959	18 009	19 047
Integrated National Electrification Programme				548	6 452		6 452	10 000		
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		12 221	6 404	16 288	19 978	–	19 978	26 959	18 009	19 047
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		32 832	34 036	47 350	57 892	–	57 892	70 079	69 452	84 666

Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN211 Vulamehlo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		784	320	3 607	1 529		1 529			
Current year receipts		1 735	6 404	2 440	2 300		2 300	2 540	2 734	2 917
Conditions met - transferred to revenue		2 198	3 118	4 517	3 829	-	3 829	2 540	2 734	2 917
Conditions still to be met - transferred to liabilities		320	3 607	1 529						
Provincial Government:										
Balance unspent at beginning of the year		132	290	290						
Current year receipts		1 000	1 250	1 250	1 500	1 500	1 500			
Conditions met - transferred to revenue		842	1 250	1 540	1 500	1 500	1 500	-	-	-
Conditions still to be met - transferred to liabilities		290	290							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		3 041	4 367	6 058	5 329	1 500	5 329	2 540	2 734	2 917
Total operating transfers and grants - CTBM	2	610	3 897	1 529	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		3 247	6 926	2 215						
Current year receipts		12 210	8 504	15 741	21 408		21 408	163 959	18 009	19 047
Conditions met - transferred to revenue		8 531	13 215	17 955	21 408	-	21 408	163 959	18 009	19 047
Conditions still to be met - transferred to liabilities		6 926	2 215	-						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		8 531	13 215	17 955	21 408	-	21 408	163 959	18 009	19 047
Total capital transfers and grants - CTBM	2	6 926	2 215	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		11 571	17 582	24 013	26 737	1 500	26 737	166 499	20 743	21 964
TOTAL TRANSFERS AND GRANTS - CTBM		7 536	6 112	1 529	-	-	-	-	-	-

**Councillor and employee benefits**

Table 25 MBRR SA22 - Summary of councillor and staff benefits

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		5 659	5 609	5 154	5 614	1 000	6 614	4 999	5 319	5 660
Pension and UIF Contributions										
Medical Aid Contributions								1 056	1 124	1 196
Motor Vehicle Allowance								447	476	506
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances								77	82	87
Sub Total - Councillors		5 659	5 609	5 154	5 614	1 000	6 614	6 580	7 001	7 449
% increase	4		(0.9%)	(8.1%)	8.9%	(82.2%)	561.4%	(0.5%)	6.4%	6.4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		1 785	2 116	1 323	2 651		2 651	1 641	1 746	1 857
Pension and UIF Contributions				166				211	225	239
Medical Aid Contributions										
Overtime										
Performance Bonus		164	200		328		328			
Motor Vehicle Allowance	3			1 105				738	785	835
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3							103	109	116
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		1 949	2 316	2 593	2 979	-	2 979	2 693	2 865	3 048
% increase	4		18.8%	12.0%	14.9%	(100.0%)	-	(9.6%)	6.4%	6.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		5 902	5 814	7 652	7 767		7 767	8 902	9 472	10 078
Pension and UIF Contributions		756	999	286	1 061		1 061	910	968	1 030
Medical Aid Contributions		525	615		1 055		1 055	476	506	539
Overtime					160		160	171	182	194
Performance Bonus				447				1 014	1 079	1 148
Motor Vehicle Allowance	3			376	180		180			
Cellphone Allowance	3				204		204			
Housing Allowances	3									
Other benefits and allowances	3	426	458		372		372	565	601	640
Payments in lieu of leave					50		50	53	57	60
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		7 609	7 886	8 762	10 849	-	10 849	12 092	12 866	13 689
% increase	4		3.6%	11.1%	23.8%	(100.0%)	-	11.5%	6.4%	6.4%
Total Parent Municipality		15 217	15 810	16 509	19 442	1 000	20 442	21 364	22 731	24 186
			3.9%	4.4%	17.8%	(94.9%)	1 944.2%	4.5%	6.4%	6.4%
<b>Board Members of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										

**KZN211 Vulamehlo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	377 317	5 753	152 569			535 639
Chief Whip								-
Executive Mayor		1	459 146	6 572	183 179			648 897
Deputy Executive Mayor		1	377 317	5 753	183 179			566 249
Executive Committee		1	310 894	5 233	183 383			499 510
Total for all other councillors		16	2 357 935	88 315	1 883 227			4 329 477
<b>Total Councillors</b>	8	20	3 882 609	111 626	2 585 537			6 579 772
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	508 851	188 307	135 376			832 533
Chief Finance Officer		1	367 753	7 677	256 440			631 870
Technical service Director		1	332 144	7 677	256 440			596 261
Generat/Corporate Manager		1	431 863	7 677	192 330			631 870
								-
List of each offical with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	4	1 640 611	211 338	840 586	-		2 692 535
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	24	5 523 220	322 964	3 426 123	-		9 272 307

KZN211 Vulamehlo - Supporting Table SA24 Summary of personnel numbers

[illegible]

Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure



## Vulamehlo Municipality

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>																
<b>Revenue By Source</b>																
Property rates		150	150	150	150	150	150	150	150	150	150	150	150	1 804	1 804	1 804
Property rates - penalties & collection charges														-	-	-
Service charges - electricity revenue														-	-	-
Service charges - water revenue														-	-	-
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue														-	-	-
Service charges - other														-	-	-
Rental of facilities and equipment		19	19	19	19	19	19	19	19	19	19	19	19	228	243	260
Interest earned - external investments		25	25	25	25	25	25	25	25	25	25	25	25	300	316	333
Interest earned - outstanding debtors														-	-	-
Dividends received														-	-	-
Fines														-	-	-
Licences and permits														-	-	-
Agency services														-	-	-
Transfers recognised - operational		12 685				10 145				10 145		10 145		43 120	51 443	65 619
Other revenue		7	7	7	7	7	7	7	7	7	7	7	7	81	83	84
Gains on disposal of PPE														-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>12 886</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>10 346</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>10 346</b>	<b>201</b>	<b>10 346</b>	<b>201</b>	<b>45 532</b>	<b>53 889</b>	<b>68 100</b>
<b>Expenditure By Type</b>																
Employee related costs		1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	14 785	15 732	16 738
Remuneration of councillors		548	548	548	548	548	548	548	548	548	548	548	548	6 580	7 001	7 449
Debt impairment		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 000	1 000
Depreciation & asset impairment		1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	1 283	15 400	15 400	15 400
Finance charges		30	30	30	30	30	30	30	30	30	30	30	30	360	379	400
Bulk purchases														-	-	-
Other materials														-	-	-
Contracted services		893	893	893	893	893	893	893	893	893	893	893	894	10 722	11 439	12 179
Transfers and grants														-	-	-
Other expenditure		832	832	832	832	832	832	832	832	832	832	832	833	9 989	10 532	11 104
Loss on disposal of PPE														-	-	-
<b>Total Expenditure</b>		<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 903</b>	<b>4 904</b>	<b>58 836</b>	<b>61 483</b>	<b>64 271</b>
<b>Surplus/(Deficit)</b>		<b>7 983</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 704)</b>	<b>(13 304)</b>	<b>(7 595)</b>	<b>3 829</b>
Transfers recognised - capital		(6 740)				(6 740)				(6 740)		(6 740)	-	(26 959)	(18 009)	(19 047)
Contributions recognised - capital		6 740				6 740				6 740		6 740	-	26 959	18 009	19 047
Contributed assets													-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7 983</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 704)</b>	<b>(13 304)</b>	<b>(7 595)</b>	<b>3 829</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>7 983</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 702)</b>	<b>5 443</b>	<b>(4 704)</b>	<b>(13 304)</b>	<b>(7 595)</b>	<b>3 829</b>

Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN211 Vulamehlo - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - MUNICIPAL MANAGER		646	646	646	646	646	646	646	646	646	646	646	646	7 753	7 870	8 373
Vote 2 - FINANCE DEPARTMENT		741	741	741	741	741	741	741	741	741	741	741	741	8 888	9 936	7 873
Vote 3 - CORPORATE SERVICES		2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 152	25 817	26 918	28 553
Vote 4 - TECHNICAL SERVICES		256	256	256	256	256	256	256	256	256	256	256	256	3 075	3 188	3 388
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 795	45 533	47 912	48 186
Expenditure by Vote to be appropriated																
Vote 1 - MUNICIPAL MANAGER		617	617	617	617	617	617	617	617	617	617	617	617	7 398	7 870	8 373
Vote 2 - FINANCE DEPARTMENT		1 922	1 922	1 922	1 922	1 922	1 922	1 922	1 922	1 922	1 922	1 922	1 922	23 061	23 507	23 958
Vote 3 - CORPORATE SERVICES		2 115	2 115	2 115	2 115	2 115	2 115	2 115	2 115	2 115	2 115	2 115	2 115	25 378	26 918	28 553
Vote 4 - TECHNICAL SERVICES		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 188	3 388
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		4 903	4 903	4 903	4 903	4 903	4 903	4 903	4 903	4 903	4 903	4 903	4 903	58 837	61 483	64 271
Surplus/(Deficit) before assoc.		(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 108)	(13 303)	(13 571)	(16 085)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 109)	(1 108)	(13 303)	(13 571)	(16 085)



Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

## Vulamehlo Municipality

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	3 538	42 456	44 724	44 798
Executive and council		646	646	646	646	646	646	646	646	646	646	646	646	7 752	7 870	8 373
Budget and treasury office		741	741	741	741	741	741	741	741	741	741	741	741	8 887	9 936	7 873
Corporate services		2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 151	2 152	25 817	26 918	28 553
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		256	256	256	256	256	256	256	256	256	256	256	256	3 075	3 188	3 388
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		256	256	256	256	256	256	256	256	256	256	256	256	3 075	3 188	3 388
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 795	45 532	47 912	48 186
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before assoc.</b>		3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 795	45 532	47 912	48 186
<b>Share of surplus/ (deficit) of associate</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 794	3 795	45 532	47 912	48 186

Type text

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Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN211 Vulamehlo - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - FINANCE DEPARTMENT													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - TECHNICAL SERVICES													-	-	-	-
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - FINANCE DEPARTMENT													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - TECHNICAL SERVICES													26 959	26 959	18 009	19 047
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	26 959	26 959	18 009	19 047
Total Capital Expenditure	2	-	-	-	-	-	-	-	-	-	-	-	26 959	26 959	18 009	19 047

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN211 Vulamehlo - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital Expenditure - Standard</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 33 MBRR SA30 - Budgeted monthly cash flow



## Vulamehlo Municipality

## 2013/2014 Draft Budget and MTREF

KZN211 Vulamehlo - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Property rates - penalties & collection charges													-		
Service charges - electricity revenue													-		
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue													-		
Service charges - other													-		
Rental of facilities and equipment	19	19	19	19	19	19	19	19	19	19	19	19	228	243	260
Interest earned - external investments	25	25	25	25	25	25	25	25	25	25	25	25	300	316	333
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines													-		
Licences and permits													-		
Agency services													-		
Transfer receipts - operational	12 685				10 145				10 145		10 145		43 120	51 443	65 619
Other revenue	591	591	591	591	591	591	591	591	591	591	591	591	7 091	5 490	5 807
<b>Cash Receipts by Source</b>	<b>13 370</b>	<b>685</b>	<b>685</b>	<b>685</b>	<b>10 830</b>	<b>685</b>	<b>685</b>	<b>685</b>	<b>10 830</b>	<b>685</b>	<b>10 830</b>	<b>685</b>	<b>51 338</b>	<b>58 092</b>	<b>72 619</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	6 740				6 740			6 740		6 750			26 969	18 009	19 047
Contributions recognised - capital & Contributed assets													-		
Proceeds on disposal of PPE													-		
Short term loans													-		
Borrowing long term/refinancing		1 000											1 000		
Increase (decrease) in consumer deposits													-		
Decrease (Increase) in non-current debtors													-		
Decrease (increase) other non-current receivables	83	83	83	83	83	83	83	83	83	83	83	83	1 000	500	500
Decrease (increase) in non-current investments			(2 000)				(2 000)			(2 000)			(6 000)	(5 000)	(5 000)
<b>Total Cash Receipts by Source</b>	<b>20 193</b>	<b>1 768</b>	<b>(1 232)</b>	<b>768</b>	<b>17 653</b>	<b>768</b>	<b>(1 232)</b>	<b>7 508</b>	<b>10 913</b>	<b>5 518</b>	<b>10 913</b>	<b>768</b>	<b>74 307</b>	<b>71 601</b>	<b>87 166</b>
<b>Cash Payments by Type</b>															
Employee related costs	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	15 233	16 207	17 245
Remuneration of councillors	511	511	511	511	511	511	511	511	511	511	511	502	6 124	6 525	6 943
Finance charges	30	30	30	30	30	30	30	30	30	30	30	30	360	379	400
Bulk purchases - Electricity													-		
Bulk purchases - Water & Sewer													-		
Other materials													-		
Contracted services													-		
Transfers and grants - other municipalities													-		
Transfers and grants - other	893	893	893	893	893	893	893	893	893	893	893	893	10 722	19 832	30 459
Other expenditure	822	822	822	822	822	822	822	822	822	822	822	822	9 864	10 912	11 505
<b>Cash Payments by Type</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 526</b>	<b>3 517</b>	<b>42 302</b>	<b>53 855</b>	<b>66 551</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets		1 000		5 000	5 000		10 000		2 000		2 000	1 950	26 959	18 009	19 047
Repayment of borrowing	262	262	262	262	262	262	262	262	262	262	262	262	3 144	1 000	1 000
Other Cash Flows/Payments													-		
<b>Total Cash Payments by Type</b>	<b>3 788</b>	<b>4 788</b>	<b>3 788</b>	<b>8 788</b>	<b>8 788</b>	<b>3 788</b>	<b>13 788</b>	<b>3 788</b>	<b>5 788</b>	<b>3 788</b>	<b>5 788</b>	<b>5 738</b>	<b>72 405</b>	<b>72 864</b>	<b>86 598</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>16 405</b>	<b>(3 020)</b>	<b>(5 020)</b>	<b>(8 020)</b>	<b>8 865</b>	<b>(3 020)</b>	<b>(15 020)</b>	<b>3 720</b>	<b>5 125</b>	<b>1 730</b>	<b>5 125</b>	<b>(4 970)</b>	<b>1 903</b>	<b>(1 263)</b>	<b>568</b>
Cash/cash equivalents at the month/year begin:	1 904	18 309	15 289	10 270	2 250	11 115	8 095	(6 924)	(3 204)	1 921	3 651	8 777	1 904	3 807	2 544
Cash/cash equivalents at the month/year end:	18 309	15 289	10 270	2 250	11 115	8 095	(6 924)	(3 204)	1 921	3 651	8 777	3 807	3 807	2 544	3 112

### Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN211 Vulamehlo - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand											
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			15 468	13 330	15 741	21 408	–	21 408	11 900	18 009	19 047
Infrastructure - Road transport			15 468	13 330	15 741	16 408	–	16 408	1 900	18 009	19 047
Roads, Pavements & Bridges			15 468	13 330	15 741	16 408		16 408	1 900	18 009	19 047
Storm water											
Infrastructure - Electricity			–	–	–	5 000	–	5 000	10 000	–	–
Generation											
Transmission & Reticulation						5 000		5 000	10 000		
Street Lighting											
Infrastructure - Water			–	–	–	–	–	–	–	–	–
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation			–	–	–	–	–	–	–	–	–
Reticulation											
Sewerage purification											
Infrastructure - Other			–	–	–	–	–	–	–	–	–
Waste Management											
Transportation											
Gas											
Other											
Community			–	–	5 177	–	–	–	14 211	–	–
Parks & gardens											
Sportsfields & stadia					5 047				7 505		
Swimming pools											
Community halls					130				3 191		
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other								3 515			
Heritage assets			–	–	–	–	–	–	–	–	–
Buildings											
Other											
Investment properties		–	–	–	150	–	150	–	–	–	
Housing development											
Other					150		150				
Other assets		–	–	–	2 380	–	2 380	848	–	–	
General vehicles					230		230				
Specialised vehicles			–	–	–	–	–	–	–	–	
Plant & equipment						900		900			
Computers - hardware/equipment						100		100			
Furniture and other office equipment						100		100			
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other						1 050		1 050	848		

Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class ( continued)

<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	
Computers - software & programming										
Other ( <i>list sub-class</i> )										
Total Capital Expenditure on new assets	1	15 468	13 330	20 917	23 938	-	23 938	26 959	18 009	19 047

<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									



Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN211 Vulamehlo - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency	7									
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries	8									
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	-	-	-	-	-	-	-	-
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class



KZN211 Vulamehlo - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
<b>Community</b>		183	199	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls		183	199							
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		472	-	533	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment		13		15						
Furniture and other office equipment		20		22						
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)		439		496						
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	655	199	533	-	-	-	-	-	-
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		0.8%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as % Operating Expenditure</b>		1.6%	0.5%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 37 MBRR SA35 - Future financial implications of the capital budget

## KZN211 Vulamehlo - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
<b>Capital expenditure</b>	1							
Vote 1 - MUNICIPAL MANAGER		-	-	-				
Vote 2 - FINANCE DEPARTMENT		-	-	-				
Vote 3 - CORPORATE SERVICES		-	-	-				
Vote 4 - TECHNICAL SERVICES		26 959	18 009	19 047				
Vote 5 - [NAME OF VOTE 5]		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		26 959	18 009	19 047	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - MUNICIPAL MANAGER								
Vote 2 - FINANCE DEPARTMENT								
Vote 3 - CORPORATE SERVICES								
Vote 4 - TECHNICAL SERVICES								
Vote 5 - [NAME OF VOTE 5]								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		26 959	18 009	19 047	-	-	-	-

Table 38 MBRR SA36 - Detailed capital budget per municipal vote

KZN211 Vulamehlo - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Municipal Infrastructure Grant		Dumayo Community Hall Ngwadini Sport Ground Skills Center Mfume Sport Ground Mistake Farm Road				Community Infrastructure - Other Community Infrastructure - Other Infrastructure - Road transport	Community halls Sportsfields & stadia Recreational facilities Sportsfields & stadia Roads, Pavements & Bridges					3 191 3 705 3 515 3 800 1 900			Ward 5 Ward 4 Ward 9 Ward 3 Ward 10	New New New New New
Parent Capital expenditure	1											16 111	-	-		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										-	-	16 111	-	-		

Table 39 MBRR SA37 - Projects delayed from previous financial year

KZN211 Vulamehlo - Supporting Table SA37 Consolidated projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
<i>Entity Name</i> <i>Project name</i>												

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. .
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee is shared with the district and is fully functional.
5. Service Delivery and Implementation Plan  
The detail 2013/14 draft SDBIP document will be finalised and will be tabled before council.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

Other supporting documents :

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN211 Vulamehlo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
<b>REVENUE ITEMS:</b>											
<u>Property rates</u>	6										
Total Property Rates		803	1 622	1 894	1 896	1 896	1 896	1 896	2 297	2 297	2 297
less Revenue Foregone				407	407	407	407	407	493	493	493
Net Property Rates		803	1 622	1 487	1 489	1 489	1 489	1 489	1 804	1 804	1 804
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue											
less Revenue Foregone											
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue											
less Revenue Foregone											
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>	6										
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue											
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
<u>Other Revenue by source</u>	3										
Rates clearance certificates				4	2	2	2	2	2	2	2
Hire of hall				1	2	2	2	2	5	5	5
Sale of tender documents				39	12	12	12	12	24	25	27
Sundry income		98	114	77	50	50	50	50	50	50	50
Insurance refund				8							
Vat refund						2 438	2 438	2 438			
Total 'Other' Revenue	1	98	114	130	66	2 504	2 504	2 504	81	83	84

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
2	7 609	7 887	8 975	10 544	10 544	10 544	10 544	10 543	11 570	12 310
Basic Salaries and Wages			286	1 061	1 061	1 061	1 061	1 121	1 259	1 340
Pension and UIF Contributions			447	1 055	1 055	1 055	1 055	1 127	1 199	1 276
Medical Aid Contributions				160	160	160	160	171	171	181
Overtime				328	328	328	328	1 014	1 079	1 148
Performance Bonus				180	180	180	180	128	136	151
Motor Vehicle Allowance				204	204	204	204	207		
Cellphone Allowance				–				–		
Housing Allowances			1 249	327	327	327	327	420	249	259
Other benefits and allowances				50	50	50	50	53	68	73
Payments in lieu of leave				–				–		0
Long service awards				–						
Post-retirement benefit obligations										
4										
sub-total	5	7 609	7 887	10 958	13 908	13 908	13 908	14 785	15 732	16 738
<b>Less: Employees costs capitalised to PPE</b>										
1	7 609	7 887	10 958	13 908	13 908	13 908	13 908	14 785	15 732	16 738
<b>Total Employee related costs</b>										
<b>Contributions recognised - capital</b>										
<i>Mistake Farm Road</i>										
<i>Electrification</i>										
<i>Dumayo Community Hall</i>										
<i>Ngwadini Sports Grounds</i>										
<i>Skills Centre</i>										
<i>Mlume Sports Ground</i>										
<b>Total Contributions recognised - capital</b>										
		–	–	–	–	–	–	26 959	18 009	19 047
<b>Depreciation &amp; asset impairment</b>										
<i>Depreciation of Property, Plant &amp; Equipment</i>										
<i>Lease amortisation</i>										
<i>Capital asset impairment</i>										
<i>Depreciation resulting from revaluation of PPE</i>										
10	4 903	5 203	5 666	5 700	8 000	800	13 700	13 700	13 700	13 700
				800	800	800	800	800	800	800
				900	900	900	900	900	900	900
				1 000	(1 000)	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>										
1	4 903	5 203	5 666	6 400	10 700	1 700	15 400	15 400	15 400	15 400
<b>Bulk purchases</b>										
<i>Electricity Bulk Purchases</i>										
<i>Water Bulk Purchases</i>										
<b>Total bulk purchases</b>										
1	–	–	–	–	–	–	–	–	–	–
<b>Transfers and grants</b>										
<i>Cash transfers and grants</i>										
<i>Non-cash transfers and grants</i>										
1	–	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>										
1	–	–	–	–	–	–	–	–	–	–
<b>Contracted services</b>										
<i>Contracts</i>										
				7 056	550	7 606	7 606	10 722	11 439	12 179
<b>sub-total</b>										
1	–	–	–	7 056	550	7 606	7 606	10 722	11 439	12 179
<b>Allocations to organs of state:</b>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Other</i>										
<b>Total contracted services</b>										
	–	–	–	7 056	550	7 606	7 606	10 722	11 439	12 179

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

Other Expenditure By Type										
Collection costs				1 000	1 000	1 000	1 000	1 000	1 000	1 000
Contributions to 'other' provisions				1 152	1 152	1 152	1 152			
Consultant fees				954	954	954	954	1 381	1 461	1 546
Audit fees				7 191	888	8 079	8 079	7 608	8 071	8 558
General expenses	3	5 597	5 387							
Total 'Other' Expenditure	1	5 597	5 387	-	10 297	3 994	11 185	11 185	9 989	10 532
by Expenditure Item	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		655	732	610				644	679	715
Total Repairs and Maintenance Expenditure	9	655	732	610	-	-	-	-	644	679



Table 41MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN211 Vulamehlo - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type &amp; dept.)

Description	Ref	Vote 1 - MUNICIPAL MANAGER	Vote 2 - FINANCE DEPARTMENT	Vote 3 - CORPORATE SERVICES	Vote 4 - TECHNICAL SERVICES	Vote 5 - [NAME OF VOTE 5]	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates			1 804														1 804
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment		228															228
Interest earned - external investments			300														300
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue			52	5	24												81
Transfers recognised - operational		7 525	6 731	25 813	3 051												43 120
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		7 752	8 887	25 817	3 075	-	-	-	-	-	-	-	-	-	-	-	45 532
<b>Expenditure By Type</b>																	
Employee related costs			2 970	9 183	2 632												14 785
Remuneration of councillors		6 580															6 580
Debt impairment			1 000														1 000
Depreciation & asset impairment			15 400														15 400
Finance charges				360													360
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and grants		362	2 540	7 820													10 722
Other expenditure		456	1 151	8 015	367												9 989
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		7 398	23 061	25 378	3 000	-	-	-	-	-	-	-	-	-	-	-	58 836
<b>Surplus/(Deficit)</b>		354	(14 174)	440	76	-	-	-	-	-	-	-	-	-	-	-	(13 304)
Transfers recognised - capital					(26 959)												(26 959)
Contributions recognised - capital					26 959												26 959
Contributed assets																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		354	(14 174)	440	76	-	-	-	-	-	-	-	-	-	-	-	(13 304)

Table 42 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN211 Vulamehlo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		10 078	4 407	3 126	4 864	4 864	4 864	4 864	11 164	6 164	1 614
Other current investments > 90 days											
Total Call investment deposits	2	10 078	4 407	3 126	4 864	4 864	4 864	4 864	11 164	6 164	1 614
Consumer debtors											
Consumer debtors		407	840	1 153	940	940	940	940	2 143	3 347	4 551
Less: Provision for debt impairment		(278)	(572)	(816)	(640)	(640)	(640)	(640)	(1 640)	(2 640)	(3 640)
Total Consumer debtors	2	129	268	337	300	300	300	300	503	707	910
Debt impairment provision											
Balance at the beginning of the year				572					640	1 640	2 640
Contributions to the provision				244					1 000	1 000	1 000
Bad debts written off											
Balance at end of year		-	-	816	-	-	-	-	1 640	2 640	3 640
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		110 522	122 947	136 815	137 623	137 623	137 623	137 623	139 751	159 751	179 751
Leases recognised as PPE											
Less: Accumulated depreciation	3	32 387	36 607	54 458	40 977	40 977	40 977	40 977	53 934	69 334	84 734
Total Property, plant and equipment (PPE)	2	78 135	86 340	82 357	96 646	96 646	96 646	96 646	85 816	90 417	95 017
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		713	771	1 730	863	863	863	863	883	200	200
Total Current liabilities - Borrowing		713	771	1 730	863	863	863	863	883	200	200
Trade and other payables											
Trade and other creditors		2 149	2 619	1 879	2 932	2 932	2 932	2 932	1 732	1 632	1 432
Unspent conditional transfers		10 525	6 043	2 981	6 764	6 764	6 764	6 764	1 764	1 000	1 000
VAT											
Total Trade and other payables	2	12 674	8 662	4 860	9 696	9 696	9 696	9 696	3 496	2 632	2 432
Non current liabilities - Borrowing											
Borrowing	4	1 166	821	1 839	920	920	920	920	1 000	200	200
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		1 166	821	1 839	920	920	920	920	1 000	200	200
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance				98 245	115 036			115 036	106 974	148 993	141 398
GRAP adjustments				(260)				7 610	55 323		
Restated balance		-	-	97 986	115 036	-	-	122 646	162 297	148 993	141 398
Surplus/(Deficit)		(6 293)	3 199	12 911	(5 672)	8 888	(1 972)	(15 672)	(13 304)	(7 595)	3 829
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	(6 293)	3 199	110 897	109 364	8 888	(1 972)	106 974	148 993	141 398	145 227
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(6 293)	3 199	110 897	109 364	8 888	(1 972)	106 974	148 993	141 398	145 227
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

Table 43 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN211 Vulamehlo - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		Census 2011						83	83			
Females aged 5 - 14		Census 2011						13	13			
Males aged 5 - 14		Census 2011						11	11			
Females aged 15 - 34		Census 2011						15	15			
Males aged 15 - 34		Census 2011						13	13			
Unemployment		Census 2011						55	55			
<b>Monthly household income (no. of households)</b>	1, 12											
No income		per Census 2011						4 891	4 891			
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400		per Census 2011 income from R1-R9600						5 610	5 610			
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800		per Census income from R9600- R153600						3 740	3 740			
R204 801 - R409 600		per Census income above R153600						144	144			
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											

Table 43 MBRR Table SA9 – Social, economic and demographic statistics and assumptions(continued)

<b>Household demographics (000)</b>												
Number of people in municipal area	per Census 2011							83	83			
Number of poor people in municipal area	per Census 2011							14	14			
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b>Housing statistics</b>		3										
Formal	per Census 2011							4 316	4 316			
Informal	per Census 2011							10 069	10 069			
Total number of households			-	-	-	-	-	14 385	14 385	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>		6										
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>		7										
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Table 44 MBRR SA32 – List of external mechanisms

KZN211 Vulamehlo - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
NO EXTERNAL MECHANISMS					

Municipal manager's quality certificate

I ....., municipal manager of Vulamehlo Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal manager of Vulamehlo Municipality (KZN211)

Signature \_\_\_\_\_

Date \_\_\_\_\_